

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT is dated as of March 18, 2009 (this "Agreement"), by and between FAMILY LIFE BROADCASTING, INC., an Arizona non-profit corporation ("FLB"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("EMF").

WITNESSETH:

WHEREAS, FLB is the licensee of KFLB-FM Odessa, Texas, Channel 213, 90.5 MHz (FIN: 39893) ("KFLB-FM");

WHEREAS, FLB holds a construction permit (BMPED-20060612ABN) to upgrade the facilities of KFLB-FM ("KFLB-FM CP") and shall retain EMF to construct the KFLB-FM CP pursuant to a Transmission Facilities Construction and Lease Agreement of even date herewith ("Construction Agreement").

WHEREAS, EMF is the licensee of FM radio station KFRI, Stanton, Texas, Channel 201, 88.1 MHz, FIN: 92993 ("KFRI");

WHEREAS, on the terms and conditions described herein and subject to the approval of the Federal Communications Commission ("FCC"), EMF desires to acquire and FLB desires to sell certain assets and FCC licenses associated with KFLB-FM, and EMF desires to sell and FLB desires to acquire certain assets and FCC licenses associated with KFRI.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Sale of Assets.

(a) KFLB-FM.

(i) On the Closing Date (as hereinafter defined), FLB shall sell, assign and transfer to EMF, and EMF shall purchase, assume and receive from FLB, the assets, properties, interests and rights of FLB of whatsoever kind and nature, which are held by FLB and used or useful in connection with the operation of the KFLB-FM (the "KFLB-FM Assets"), including without limitation (but excluding the KFLB-FM Excluded Assets described in subparagraph 1(a)(iii) below):

(A) All equipment and other tangible personal property, used in or useful to the operations of KFLB-FM (the "KFLB-FM Tangible Personal Property"), (together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date), as identified on Schedule 1 hereto; and

(B) All of the licenses, construction permits and other authorizations, including the authorizations issued by the FCC (collectively, the "KFLB-FM Authorizations"), the Federal Aviation Administration (the "FAA"), if any, and any other federal,

state or local governmental authorities to FLB in connection with the conduct of the business or operations of KFLB-FM identified on Schedule 2 hereto.

(ii) The KFLB-FM Assets shall be transferred to EMF free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, encroachments, leases, charges, or other claims or encumbrances of any nature whatsoever ("Liens"), except for taxes not yet due and payable ("Permitted Liens"). Except as expressly set forth herein, EMF is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of FLB of any kind, absolute or contingent, known or unknown, specifically including, without limitation, any liability, obligation or agreement to retain any FLB employee, or with respect to termination thereof, or any employee benefit or expense, and the execution and performance of this Agreement shall not render EMF liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "FLB Retained Liabilities."

(iii) The following assets and associated liabilities relating to the business of KFLB-FM shall be retained by FLB and shall not be sold, assigned or transferred to EMF (the "KFLB-FM Excluded Assets"):

(A) Cash on hand and in banks (or their equivalents) and accounts receivable arising out of the operation of KFLB-FM prior to Closing;

(B) All rights of FLB under all contracts, leases and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by FLB, specifically including the tower lease agreement with SF Henderson for ASR# 1048983 ;

(C) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

(D) All deposits and all prepaid expenses and taxes;

(E) FLB's corporate records;

(F) FLB's right to and interest in the call letters "KFLB-FM";
and

(G) Tangible personal property used in connection with the programming and studio operations of KFLB-FM, as identified on Schedule 3 hereto.

(b) **KFRI.**

(i) On the Closing Date (as hereinafter defined), EMF shall sell, assign and transfer to FLB, and FLB shall purchase, assume and receive from EMF, certain assets, properties, interests and rights of EMF of whatsoever kind and nature, which are held by

EMF and used in connection with KFRI (the "KFRI Assets"), as identified in below (but excluding the KFRI Excluded Assets described in subparagraph 1(b)(iii) below):

(A) EMF's equipment and other tangible personal property, used solely in the conduct of the business or operations of KFRI (the "KFRI Tangible Personal Property"), (together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date), as identified on Schedule 4 hereto; and

(B) All of the licenses, construction permits and other authorizations, including the authorizations issued by the FCC (collectively, the "KFRI Authorizations"), the Federal Aviation Administration (the "FAA"), if any, and any other federal, state or local governmental authorities to EMF in connection with the conduct of the business or operations of KFRI identified on Schedule 5 hereto.

(C) All of EMF's right, title and interest in and to the leasehold interests in the ground lease agreement between EMF and Hughlyn Todd, Lessor, effective as of September 1, 2004, as amended on October 13, 2005 (the "Ground Lease"), as identified on Schedule 7 hereto;

(ii) The KFRI Assets shall be conveyed to FLB free and clear of all Liens. Except as expressly set forth herein, FLB is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of EMF of any kind, absolute or contingent, known or unknown, specifically including, without limitation, any liability, obligation or agreement to retain any EMF employee, or with respect to termination thereof, or any employee benefit or expense, and the execution and performance of this Agreement shall not render FLB liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "EMF Retained Liabilities."

(iii) EMF shall not sell, assign or transfer to FLB any assets, of whatever kind or nature, which are held by EMF and used or useful in connection with the operations of any station or stations other than KFRI (the "EMF Excluded Assets"), and specifically including, without limitation, the following:

(A) Cash on hand and in banks (or their equivalents) and accounts receivable arising out of the operation of KFRI prior to Closing;

(B) All rights of EMF under all contracts, leases and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by EMF relating to property or equipment repaired, replaced, restored by EMF prior to the Closing Date;

(C) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

(D) All deposits and all prepaid expenses and taxes;

- (E) EMF's corporate records;
- (F) EMF's right to and interest in the call letters "KFRI"; and
- (G) Tangible personal property used in connection with the programming or studio operations of KFRI, including without limitation those identified on Schedule 6 hereto.

2. **Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, FLB shall transfer the KFLB-FM Assets to EMF and EMF shall transfer the KFRI Assets to FLB; and in addition to the exchange of assets, on the Closing Date EMF shall tender to FLB the sum of One Hundred Seventy Five Thousand Dollars (\$175,000) in immediately available funds ("Cash Purchase Price").

(b) Concurrently with the execution of this Agreement, EMF will deliver to WashingtonFirst Bank, (the "Escrow Agent") the sum of Ten Thousand Dollars (\$10,000) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith. The Earnest Money Deposit shall be paid to FLB as partial payment of the Cash Purchase Price due at Closing to FLB, or shall otherwise be made available to FLB or released to EMF in accordance with the provisions of this Agreement.

3. **FCC Consent; Assignment Application.** At the earliest mutually agreeable date, but not later than five (5) business days after the date of this Agreement, EMF and FLB shall execute, file and vigorously prosecute applications with the FCC (each an "Assignment Application," together the "Assignment Applications") requesting its consent (the "FCC Consent") to the assignment (i) from FLB to EMF of the KFLB-FM Authorizations and (ii) from EMF to FLB of the KFRI Authorizations. EMF and FLB shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consents without delay, and to promptly consummate this Agreement in full.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a mutually agreed upon date (the "Closing Date") which shall be the later of: (i) ten (10) days following the date on which all FCC Consents shall have become Final Orders (as hereinafter defined) or (ii) commencement of KFLB-FM CP operations pursuant to program test authority, according to the parameters approved by the Commission in the KFLB-FM CP or a replacement construction permit with facilities identical to the KFLB-FM CP ("New CP"). For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or

appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by electronic mail, facsimile or in such other manner as mutually agreed upon by the parties.

5. **Representations and Warranties of FLB.** FLB hereby makes the following representations and warranties to EMF which shall be true as of the date hereof and on the Closing Date:

(a) FLB is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Arizona. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by FLB and no other proceedings on the part of FLB are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and each ancillary document and instrument to be executed and delivered hereunder (the "Transaction Documents") has been and will be duly and validly executed and delivered by FLB and constitutes and will constitute the legal, valid and binding agreement of FLB enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by FLB will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of FLB, or (ii) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Schedule 1 hereto contains a list of the KFLB-FM Tangible Personal Property owned by FLB for use in connection with the operation of the KFLB-FM. FLB owns and has, and will have on the Closing Date, good and marketable title to the KFLB-FM Tangible Personal Property. The assets listed in Schedule 1 hereto include all material KFLB-FM Tangible Personal Property necessary to conduct the business and operations of KFLB-FM as now conducted (other than those assets which are KFLB-FM Excluded Assets). Each material item of KFLB-FM Tangible Personal Property (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, (iii) is operating in substantial compliance with the KFLB-FM Authorizations and rules and regulations of the FCC and FAA, and (iv) does not contain any PCBs. For purposes of this Section, material KFLB-FM Tangible Personal Property shall be such items of property valued at One Hundred Dollars (\$100) or more.

(d) Schedule 2 hereto contains a true and complete list of the KFLB-FM Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of KFLB-FM. FLB is the authorized legal holder of the KFLB-FM Authorizations identified on Schedule 2 hereto, none of which is subject to any restrictions or conditions that would limit in any respect the broadcast operations of KFLB-FM, except such conditions as are stated on the face thereof and as identified on Schedule 2 hereto. The KFLB-FM Authorizations are validly issued and are in full force and effect, unimpaired by any act or omission of FLB. Other than the proceedings affecting the radio broadcasting industry generally, (i) there is not now pending or

threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the KFLB-FM Authorizations, and (ii) FLB has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either KFLB-FM or FLB with respect to KFLB-FM.

(e) Other than Patrick Communications, whose broker fees shall be split equally between EMF and FLB, there is no broker or finder or other person who would have any valid claim against FLB for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by FLB.

(f) FLB is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of KFLB-FM. There is no litigation, proceeding or governmental investigation pending or to the knowledge of FLB, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to FLB, or KFLB-FM that could prevent or materially impede the consummation by FLB of the transactions contemplated by this Agreement.

(g) No representation or warranty made by FLB in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to EMF.

6. **Representations and Warranties of EMF.** EMF hereby makes the following representations and warranties to FLB which shall be true as of the date hereof and on the Closing Date:

(a) EMF is a non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of California. EMF has the requisite organizational power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by EMF and no other proceedings on the part of EMF are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. The Transaction Documents have been and will be duly and validly executed and delivered by EMF and constitutes and will constitute the legal, valid and binding obligation of EMF enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by EMF will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of EMF or (ii) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Schedule 4 hereto contains a list of certain material tangible personal property and assets owned by EMF for use in connection with the operation of KFRI. EMF owns and has, and will have on the Closing Date, good and marketable title to all such property. The assets listed in Schedule 4 hereto include all material KFRI Tangible Personal Property necessary to conduct the business and operations of KFRI as now conducted (other than those assets which are KFRI Excluded Assets). Each material item of KFRI Tangible Personal Property (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, (iii) is operating in substantial compliance with the KFRI Authorizations and rules and regulations of the FCC and FAA, and (iv) does not contain any PCBs. For purposes of this Section, material KFRI Tangible Personal Property shall be such items of property valued at One Hundred Dollars (\$100) or more.

(d) Schedule 5 hereto contains a true and complete list of the EMF Authorizations and all that are required for the lawful conduct of the business and operations of KFRI. EMF is the authorized legal holder of the KFRI Authorizations identified on Schedule 5 hereto, none of which is subject to any restrictions or conditions that would limit in any respect the broadcast operations of KFRI, except such conditions as are stated on the face thereof. The KFRI Authorizations are validly issued and are in full force and effect. Other than the proceedings affecting the radio broadcasting industry generally (i) there is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the KFRI Authorizations, and (ii) EMF has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either KFRI or EMF with respect to KFRI.

(e) EMF has a valid leasehold interest in the Ground Lease attached hereto as Schedule 7, free and clear of all liens, and no party is in material breach or default with respect to the Ground Lease.

(f) Other than Patrick Communications, whose broker fees shall be split equally between EMF and FLB, there is no broker or finder or other person who would have any valid claim against EMF for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by EMF.

(g) EMF is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of KFRI. There is no litigation, proceeding or governmental investigation pending or to the knowledge of EMF, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to EMF or KFRI or that could affect any of the related KFRI Assets or prevent or materially impede the consummation by EMF of the transactions contemplated by this Agreement.

(h) No representation or warranty made by EMF in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue

statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to FLB.

7. **FLB Covenants.** FLB covenants with EMF that, between the date hereof and the Closing Date, it shall act in accordance with the following:

(a) FLB will not, without the prior written consent of EMF, sell, lease, transfer or agree to sell, lease or transfer any of KFLB-FM Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets or create any Lien on the KFLB-FM Assets.

(b) FLB shall continue to operate and maintain KFLB-FM in accordance with the terms of the KFLB-FM Authorizations and in material compliance with all applicable laws and FCC rules and regulations. FLB will deliver to EMF, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to KFLB-FM which are filed between the date of this Agreement and the Closing Date. FLB will not file any application to modify the KFLB-FM's facilities without EMF's prior written consent, and FLB shall take all actions necessary to keep the KFLB-FM Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect. In all other respects, except as disclosed in writing to and approved by EMF, FLB shall operate KFLB-FM solely in the ordinary course of business and in accordance with past practice, and shall pay its obligations with respect to KFLB-FM in the ordinary course as such obligations become due.

(c) FLB shall maintain the KFLB-FM Tangible Personal Property in accordance with standards of good engineering practice and replace any of such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value.

(d) Notwithstanding any provisions herein to the contrary, FLB, as landlord of the KRLU (FIN:12214) and KGCN (FIN: 91494) tower site in Roswell, New Mexico, agrees to reduce the monthly rental payments owed by EMF, as tenant and licensee of KRLU and KGCN, to \$300.00 per month commencing the first month after the Closing Date and continuing for the term remaining under the KRLU and KGCN tower lease agreements, respectively.

8. **EMF Covenants.** EMF covenants with FLB that, between the date hereof and the Closing Date, EMF shall act in accordance with the following:

(a) EMF will not, without the prior written consent of FLB, sell, lease, transfer or agree to sell, lease or transfer any of the KFRI Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets, or create any Lien on the KFRI Assets.

(b) EMF shall maintain the KFRI Tangible Personal Property in accordance with standards of good engineering practice and replace any of such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value.

(c) EMF shall continue to operate and maintain KFRI in accordance with the terms of the KFRI Authorizations and in material compliance with all applicable laws and FCC rules and regulations. EMF will deliver to FLB, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to KFRI which are filed between the date of this Agreement and the Closing Date. EMF will not file any application to modify the KFRI's facilities without FLB's prior written consent, and EMF shall take all actions necessary to keep the KFRI Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect. In all other respects, except as disclosed in writing to and approved by FLB, EMF shall operate KFRI solely in the ordinary course of business and in accordance with past practice, and shall pay its obligations with respect to KFRI in the ordinary course as such obligations become due.

(d) EMF, pursuant to the Construction Agreement, will complete construction of the KFLB-FM CP (or New CP) in accordance with the terms of the operative FCC construction permit.

9. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of EMF hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) FLB shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by FLB prior to or as of the Closing Date;

(ii) The representations and warranties of FLB set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consents contemplated by this Agreement shall have become a Final Order;

(iv) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered, against any party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby;

(v) There shall not be any Liens on the KFLB-FM Assets; and

(vi) EMF shall have constructed the KFLB-FM CP (or the New CP) and KFLB-FM shall have commenced broadcast operations pursuant to program test authority according to the parameters approved by the Commission in the KFLB-FM CP or the New CP, whichever shall be applicable. .

(b) The performance of the obligations of FLB hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) EMF shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by EMF prior to or as of the Closing Date;

(ii) The representations and warranties of EMF set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consents contemplated by this Agreement shall have become a Final Order;

(iv) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered, against any party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby; and

(v) There shall not be any Liens on the KFRI Assets.

10. **Closing Deliveries.**

(a) Prior to or at the Closing, FLB will execute and deliver to EMF the following, each of which shall be in form and substance satisfactory to EMF and its counsel:

(i) A Bill of Sale, in form and substance so as to effectively and legally transfer and assign to EMF the KFLB-FM Assets and effectively vest in EMF good and marketable title to the KFLB-FM Assets, duly executed by FLB;

(ii) An Assignment and Assumption of the KFLB-FM Authorizations, duly executed by FLB;

(iii) An Assignment and Assumption of the KFRI Authorizations, duly executed by FLB;

(iv) An Assignment and Assumption of Ground Lease, duly executed by FLB;

(v) A certificate, dated the Closing Date, executed by an officer of FLB, certifying the fulfillment of the conditions set forth in Section 9(a)(i) and (ii) hereof;

(vi) A certificate of good standing for FLB from the Secretary of State of Arizona;

(vii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as EMF shall reasonably request, each in form and substance satisfactory to EMF and its counsel.

(b) Prior to or at the Closing, EMF will execute and deliver to FLB the following, each of which shall be in form and substance satisfactory to FLB and its counsel:

(i) A Bill of Sale in a form acceptable to FLB and other instruments of transfer and conveyance, dated the Closing Date, in form and substance so as to effectively and legally transfer and assign to FLB the KFRI Assets and effectively vest in FLB good and marketable title to the KFRI Assets, duly executed by EMF;

(ii) An Assignment and Assumption of the KFRI Authorizations, duly executed by EMF;

(iii) An Assignment and Assumption of the KFLB-FM Authorizations, duly executed by EMF;

(iv) An Assignment and Assumption of Ground Lease, duly executed by EMF;

(v) A certificate, dated the Closing Date, executed by the President of EMF, certifying the fulfillment of the conditions set forth in Section 9(b)(i) and (ii) hereof;

(vi) The Cash Purchase Price; and

(vii) A certificate of good standing for EMF from the Secretary of State of California;

(viii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as FLB shall reasonably request, each in form and substance satisfactory to FLB and its counsel.

11. **Indemnification.**

(a) Following the Closing, FLB shall indemnify, defend and hold harmless

EMF with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by EMF directly or indirectly relating to or arising out of: (i) the breach by FLB of any of its representations or warranties that survive the Closing, or failure by FLB to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the KFLB-FM prior to the Closing and KFRI subsequent to the Closing.

(b) Following the Closing, EMF shall indemnify, defend and hold FLB harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by FLB directly or indirectly relating to or arising out of: (i) the breach by EMF of any of its representations, warranties that survive the Closing, or failure by EMF to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of KFRI prior to the Closing and KFLB-FM subsequent to the Closing.

(c) If either party hereto (the "Indemnitee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnitee under this Section, then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) The several representations and warranties of FLB and EMF contained in or made pursuant to this Agreement shall expire on the date that is one (1) year after the Closing Date. FLB's covenant set forth in Section 7(d) shall survive the Closing to the extent of the applicable statute of limitations.

12. Termination.

This Agreement may be terminated by either EMF or FLB, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon

written notice to the other upon the occurrence of any of the following: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if any of the Assignment Applications are designated for hearing or denied by Final Order; or (iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (iv) if the New CP is required and the New CP is denied or has not been approved within one year of filing; or (v) if the Closing has not occurred within eighteen (18) months of the date the Assignment Applications are filed with the FCC.

13. **Specific Performance.** The parties acknowledge that KFLB-FM and KFRI are unique assets not readily available on the open market and that in the event that either EMF, with respect to KFRI, or FLB, with respect to KFLB-FM, fails to perform its obligation to consummate the transaction contemplated hereby, irreparable harm may occur to the other party as to which money damages alone will not be adequate to compensate such party for its injury. The parties therefore agree and acknowledge that in the event of a failure by either EMF or FLB to perform its obligation to convey their respective assets in connection with the consummation of the transactions contemplated hereby, the opposing party shall be entitled to specific performance of the terms of this Agreement.

14. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to FLB, to:

Family Life Broadcasting, Inc.
7355 N. Oracle Rd, Ste 200
Tucson, AZ 85704
Attn: Tim L. Walker
Vice President of Broadcasting

with a copy (which shall not
constitute notice) to:

Robert G. Schwartz, Esq.
17873 West Spencer Drive
Surprise, AZ 85374

If to EMF, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765

Attn: Mike Novak, President

with a copy (which shall not
constitute notice) to:

David D. Oxenford, Esq.
Davis Wright Tremaine, LLP
1919 Pennsylvania Ave., N.W. Suite 200
Washington, D.C. 20006

15. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, without giving effect to the choice of law principles thereof.

16. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile transmission or electronic mail, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

18. **Expenses.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

19. **Risk of Loss.** The risk of any loss, taking, condemnation, damage or destruction of or to (each, an "Event of Loss") any of the KFRI Tangible Personal Property on or prior to the Closing Date shall be upon EMF and the risk of an Event of Loss to any of the KFLB-FM Tangible Personal Property on or prior to the Closing Date shall be upon FLB. The risk of any Event of Loss subsequent to the Closing Date shall be upon the acquiring party herein. The party bearing the risk of loss shall use all commercially reasonable efforts to repair or replace any damaged or lost assets due to be transferred pursuant to Section 1, provided, however, that in the event that the assets with a value of greater than Twenty Thousand Dollars (\$20,000) are damaged or lost on the date otherwise scheduled for Closing, the acquiring party may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while such assets are repaired or replaced, or (ii) elect to close with the assets in their current condition, in which all proceeds from insurance on such lost or damaged assets shall be assigned to the acquiring party, and the acquiring party shall have the responsibility to repair or replace the assets. The party bearing the risk of loss shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds Twenty Thousand Dollars (\$20,000), provided, however, in that event, the acquiring party may terminate this Agreement without penalty upon written notice to the party bearing the risk of loss. Should either KFLB-FM or KFRI (i) not operate for a period in excess of seventy-two (72) consecutive hours, or (ii) not

operate with full licensed facilities for a period of thirty (30) consecutive days, or if either are operating at less than 90% of its full authorized power as of the scheduled Closing Date, the acquiring party may either elect to terminate this Agreement without penalty upon written notice to the selling party or postpone the Closing for a period of up to sixty (60) days while selling party attempts to cure the described condition.

20. **Confidentiality.** Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution.

21. **No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise from favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

22. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

23. **Entire Agreement.** This Agreement, and the Exhibits and Schedules attached hereto, the Construction Agreement and Escrow Agreement supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Asset Exchange Agreement as of the day and year first above written.

FAMILY LIFE BROADCASTING, INC.

By: Tim L. Walker, VP
Tim L. Walker
Vice President of Broadcasting

EDUCATIONAL MEDIA FOUNDATION

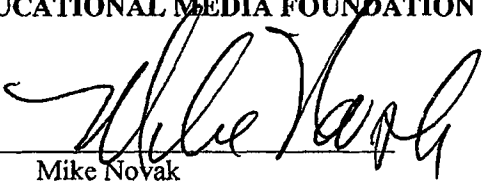
By: _____
Mike Novak
President

IN WITNESS WHEREOF, the parties hereto have executed this Asset Exchange Agreement as of the day and year first above written.

FAMILY LIFE BROADCASTING, INC.

By: _____
Tim L. Walker
Vice President of Broadcasting

EDUCATIONAL MEDIA FOUNDATION

By:  _____
Mike Novak
President

SCHEDULE 2

KFLB-FM FCC Authorizations

**Current FCC Licenses, Authorizations
and Pending Authorizations For
KFLB-FM, Odessa, Texas
Facility ID Number 39893
Family Life Broadcasting, Inc.**

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Modification of Construction Permit	KFLB-FM	BMPED-20060612ABN	1/29/2008	6/9/2009
Broadcast Renewal	KFLB-FM	BRED-20050328AMV	7/25/2005	8/1/2013
Broadcast License	KFLB-FM	BLED-20060807AGR	9/2/2003	8/1/2013

Antenna Structure Registration

Registration Number	Construction Date	Coordinates	Overall Height	Owner
1051408	1/1/1986	32-05-51.4 N 102-17-22.5 W	345.6 meters	Pinnacle Towers LLC
1048983	7/22/1962	32-02-11.0 N 102-22-44.0 W	82.3	Henderson, SF

SCHEDULE 5

KFRI FCC Authorizations

**Current FCC Licenses, Authorizations
and Pending Authorizations For
KFRI(FM), Stanton, Texas
Facility ID Number 92993
Educational Media Foundation**

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	KFRI(FM)	BLED-20051115ADR	11/22/2005	8/1/2013

Antenna Structure Registration

Registration Number	Constructed Date	Coordinates	Overall Height	Owner
1241292	12/1/2003	32-05-44.4 N 101-48-48.4 W	152.4 meters	Educational Media Foundation